Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20054

In the Matter of	)	
Petition of WorldCom, Inc. Pursuant	)	
to Section 252(e)(5) of the	)	
Communications Act for Expedited	)	
Preemption of the Jurisdiction of the	)	CC Docket No. 00-218
Virginia State Corporation Commission	)	
Regarding Interconnection Disputes	)	
with Verizon-Virginia, Inc., and for	)	
Expedited Arbitration	)	

DIRECT TESTIMONY OF DONATO GREICO
(Issues 111-4, IV-3, IV-4, IV-5, IV-6, IV-12, VI-1(A), VI-1(B), and VI-1(C))

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Issue III-4

Should the Interconnection Agreement include detailed provisions addressing network servicing responsibilities, including the development and exchange of joint non-binding forecasting responsibilities; Verizon's financial responsibility to provision trunks within the stated interval; the grade of service (blocking standard) to be maintained; trunk ordering procedures and trunk provisioning intervals; procedures for planning and provisioning of major projects; and testing of trunks prior to turn up? (Attachment IV, Sections 4 - 4.3.6).

Q. Could you explain the issues involved generally and the disputes that remain between the parties?

A. This issue generally involves the establishment and maintenance of reliable interconnection trunking arrangements between the parties, including trunk forecasting, grade of service and trunk servicing. WorldCom has proposed contract language that covers each of these issues in sufficient detail. Verizon's proposed language, in contrast, deals solely with trunk forecasting. It appears that a number of issues presented have been resolved in principle. I will note those resolutions during the course of my testimony.

Q. What is trunk forecasting and why is it important?

A. Trunk forecasting describes a process by which the parties estimate future demand for interconnection trunks between the parties. Forecasts are nonbinding, and are intended to insure that both parties provision sufficient trunks in a timely manner for the

mutual exchange of traffic between the parties. Without a timely and sufficiently detailed process for trunk forecasting, it is possible that the parties will inadequately provision their network interconnection, resulting in blocked traffic due to underprovisioned trunks, or unnecessary trunk groups. WorldCom believes that the possibility of blocked traffic due to underprovisioned trunk groups poses the larger threat to the public switched telephone network ("PSTN"), and that is why its language is crafted to minimize that possibility. Furthermore, blocked traffic has a disproportionately adverse impact on CLECs because the vast majority of blocked traffic is inbound from ILECs. Overprovisioning poses the lesser threat because it will not result in blocked traffic, and because overprovisioning adversely impacts the parties equally, there is more than adequate incentive for the parties not to provision unnecessary trunk groups.

Q. Do the parties agree that trunk forecasting is necessary?

A. Yes. The parties agree that trunk forecasting is necessary in order to insure the timely installation of sufficient trunks for the exchange of traffic between the parties. Moreover, it is my understanding that the parties have reached agreement on many of the terms and conditions associated with trunk forecasting. Specifically, it is my understanding that the parties have agreed to the following:

1. The parties will meet to review forecasts and trunking requirement twice per year on a schedule that is consistent with the Parties' budget cycles

2. Verizon will provide WorldCom with DIXC data for both 1-way and 2-way trunks.

3. WorldCom will provide 2-year forecasts (current year +1)

4. Verizon will concur or disagree with a forecast within 30 days.

5. If forecasts of growth turn out to be off by 50% or more, the parties will meet to revise.

6. If a forecast is agreed to by Verizon, the parties will examine trunks after 60 days. Trunks will be added if utilization is 80% or more, and trunks will be removed if utilization is 60% or less, always leaving a 15% overhead.

7. If a forecast is not agreed to by Verizon, the parties will wait 90 days to see if forecast was accurate. If the forecast is not accurate, adjustments will be made as described above.

Q. What are the differences between the parties with regard to trunk forecasting?

A. Because these agreements were reached after petitions for arbitration were submitted, neither party's proposed contract language reflects these current agreements. Verizon's language is also consistent with other agreements reached by the parties, such as the agreement to use two-way trunking (Verizon's language assumes the use of one-way trunks). WorldCom is currently working with Verizon to establish language that memorializes these agreements.

Some disagreements remain. Specifically, Verizon continues to insist that it be allowed to impose financial penalties on WorldCom for over-forecasts. This position is outrageous. First, WorldCom has agreed, in good faith, to do the forecasting for <u>both</u> parties. In other words, WorldCom has agreed to take reflecting Verizon's traffic volume, combining that with information about its own current and predicted volume and come up with forecasts that it will share with Verizon for review. Verizon is content to

allow WorldCom to expend time and resources doing all the forecasting work, but wants to penalize WorldCom if WorldCom's forecasts are not accurate. This is in hopeless conflict with the cooperative provisions agreed to, as set out above.

Verizon's desire to impose penalties is even more unwarranted given the nature of forecasting. Forecasts are good faith attempts to estimate future usage. As Verizon must acknowledge, it is impossible for any party to predict with complete accuracy what will happen in the future. One carrier may launch a marketing drive, for example, anticipating that there will be a significant response but find the response is much less significant than anticipated. That does not mean that forecasting was not done reasonably and in good faith. In such circumstances, the imposition of financial penalties would be utterly unreasonable.

Moreover, Verizon's demand for financial penalties is discriminatory. Verizon does not currently impose financial penalties on all carriers for over-forecasts, and there is absolutely no justification for penalizing WorldCom when other carriers will not be penalized in the same circumstances.

Nor is the imposition of such penalties is unnecessary to deter over-forecasting. Verizon is not harmed by over-forecasts because it does not provision trunks until they are ordered; the forecast only estimates how many trunks may be ordered. Once ordered and provisioned, WorldCom incurs the same expense as Verizon. Furthermore, it is my understanding that the parties have agreed to a process by which extra trunks may be turned down. The net result is that Verizon will not incur any compensible damages as a result of any over-forecasts by WorldCom.

Verizon has also demanded that it be able to disconnect trunk groups if, in its opinion, the amount of traffic traversing a trunk is insufficient. WorldCom objects to this provision as well. This is inconsistent with the parties' agreement to work cooperatively to revise forecasts. It also has the potential to cause serious disruption to WorldCom's business.

Q. Are there any differences between the parties with regard to grade of service?

A. In order to insure an adequate level of service to customers the terms require all interconnection trunking to be engineered to a blocking standard of one percent during the peak busy hour, and that the blocking standard be reduced to ½ percent if any interstate traffic is carried over a given trunk. It is my understanding that the parties have agreed to this grade of service requirement.

Q. What are the differences between the parties with regard to trunk servicing?

A. It is my understanding that the parties have agreed to the following compromise language with regard to trunk servicing:

1. Unless otherwise specified in this Agreement, orders between the Parties to establish, add, change, or disconnect trunks shall be processed by use of an Access Service Request (ASR) from MCIm to Verizon, using OBF standards.

2. At either Party's request, the Parties shall work cooperatively to coordinate major large network interconnection projects that require related work activities between and among Verizon and MCIm work groups, including but not

limited to, the initial establishment of Local Interconnection Trunk Groups or Meet Point Trunk Groups and service in a new area, NXX code moves, re-homes, facility grooming, or network rearrangements. Major projects will be provisioned within a reasonable time.

3. MCIm and Verizon agree to exchange escalation lists which reflect contact personnel, including vice president-level officers. These lists shall include name, department, title, phone number, and fax number for each person. MCIm and Verizon agree to exchange an up-to-date list promptly following changes in personnel or information.

4. The Parties shall cooperate with each other to test all trunks prior to turn up.

Q. Of the terms and conditions that remain in dispute, has WorldCom requested the inclusion of any terms and conditions that are new or unusual?

A. No. Many of these provisions were negotiated and agreed to by Verizon and WorldCom for inclusion in the current contract and are included in the current contract which was approved by the Virginia State Corporation Commission.

ISSUE IV-3

Should the Interconnection Agreement contain provisions governing sizing and structure of interconnection facilities, including specific provisions concerning when the parties perform facility augmentation? (Attachment IV, Section 1.1.6-1.1.6.6)

Q. What are Interconnection facilities?

A. Interconnection facilities are the media by which interconnection between the parties' networks is established. It is very important to distinguish between "facilities"

and "trunks." Facilities are the physical wires, fibers, cables, etc. interconnecting WorldCom's and Verizon's networks. Facilities are frequently confused with trunks. Trunks are not facilities; they do not consist of physical wires, fibers, cables, etc. Instead, trunks are circuits or pathways established over facilities, directing traffic to its final destination. Trunk groups are sometimes referred to as logical trunk groups in an attempt to alleviate some of the confusion surrounding the distinction between facilities and trunks. So, by way of example, if WorldCom and Verizon interconnected via a fiber optic SONET ring, the fiber optic ring would constitute the interconnection facility. Interconnection trunk groups (e.g. local, meet-point) would then be provisioned over the interconnection facility.

Q. Why is it necessary to provide terms and conditions for the sizing and structure of Interconnection facilities?

A. As I stated above, facilities are different from trunks. WorldCom and Verizon have proposed competing language elsewhere providing terms and conditions for the sizing and structure of trunk groups. WorldCom believes it is also necessary to provide terms and conditions for facilities because the terms and conditions applicable to trunks do not apply to facilities. If facilities are inadequately sized or structured, Verizon will refuse to provision trunks requested by WorldCom, claiming "no facilities available." The language proposed by WorldCom in this section addresses that problem insofar as it impacts the interconnection facilities between the parties' networks.

Q. What terms and conditions has WorldCom proposed for the sizing and structure of Interconnection facilities?

A. WorldCom has proposed provisions that require the parties to install efficient and reliable interconnection arrangements, sized to meet the mutual forecasts and sound engineering practices agreed to by the parties during planning and forecasting meetings. This language is reasonable and reflects current practice between WorldCom and Verizon. However, Verizon has claimed that since it never actually "agrees" to forecasts (instead only "acknowledging" them), that it is inappropriate to use forecasts to size facilities. Aside from the wordplay, Verizon's position is clearly unreasonable. Of course facilities are sized according to forecasts; there is no other basis for accurately estimating the size of interconnection facilities that may be required between the parties' networks. WorldCom has agreed to size such facilities based on forecasting and sound engineering practice agreed by the parties during planning and forecasting meetings. WorldCom's proposal is eminently reasonable.

WorldCom's proposed language also requires the parties to augment facilities when the overall system facility is at 50% of capacity, or as otherwise agreed, and that facilities should be augmented to ensure adequate facility capacity for at least two years of forecasted traffic. WorldCom has also proposed language requiring the parties to complete the construction of relief facilities within two months or sooner, if exhaustion is imminent. This language is necessary in order to insure that there will be always be sufficient interconnection facilities over which to provision interconnection trunk groups between the parties' networks. As I indicated above, if facilities exhaust, no additional trunk groups can be provisioned. This would result in the blockage of any further traffic

between the parties' networks. Despite the obvious importance of these provisions, Verizon has stated that it will not agree to augment such facilities. Verizon's position is unreasonable, discriminatory and unlawful. Verizon continually augments it's own facilities so as to avoid exhaust. Furthermore, Verizon is required to interconnect with WorldCom at any technically feasible point requested by WorldCom, and required to modify its facilities to the extent necessary to accommodate such interconnection. See, e.g., 47 USC § 251(c)(2)-(3); 47 CFR § 51.305; Local Competition Order ¶ 198. WorldCom's language provides a reasonable means of insuring the maintenance of adequate interconnection facilities between the parties' networks.

Finally, WorldCom has proposed that there should be no charge from one party to the other for use of interconnection facilities, unless a Party leases interconnection facilities from the other. This last provision is intended to clarify that the parties will not charge each other for interconnection trunk groups provisioned over interconnection facilities. This is consistent with the principle that where the parties each bear 50% of the cost of interconnection facilities, such as in a mid-span fiber meet architecture, no charges should apply for use of that joint facility. The exception is intended to address those circumstances where the cost of the interconnection facility is not evenly shared between the parties. In those cases where the parties do not interconnect using a joint facility, a party could lease facilities from the other, and would pay for its use of the other party's interconnection facility.

Issue IV-4

Should the Interconnection Agreement include terms specifying that Verizon shall respond to a request for Interconnection within ten business days after the date of the request; will provide any information available to it regarding adverse environmental or other conditions at a point of Interconnection or the Interconnection route; shall allow WorldCom to perform any site investigations, including, but not limited to, asbestos surveys, which WorldCom may deem to be necessary in support of its interconnection needs; and will make alternative routes available for WorldCom's consideration if Interconnection is complicated by the presence of environmental contamination or other conditions? (Attachment IV, Sections 1.1.4-1.1.4.4)

Q. What is the nature of the dispute between the parties regarding WorldCom's proposed language regarding responses to requests for Interconnection?

A. WorldCom has proposed a contract term specifying that Verizon will respond in writing to a request for Interconnection within ten business days of receiving the request. It is important that the Interconnection Agreement contain a specific deadline by which requests for interconnection must be answered to insure that such requests do not go unanswered indefinitely. The ten business day response time proposed by WorldCom is a reasonable interval within which to expect an initial response from Verizon. The FCC's rules require a response within ten days to such requests (see, e.g., 47 CFR § 51.323(l)(1)), and the parties have previously agreed to the ten day timeframe in their existing Interconnection Agreement. Furthermore, it is my understanding that the parties continue to agree to the ten day timeframe proposed by WorldCom. The only dispute

between the parties with regard to this issue appears to center around WorldCom's request that it be provided with information available to Verizon regarding adverse environmental or other conditions involving a point of Interconnection or interconnection route between the parties.

Q. What is Verizon's objection to such language?

A. WorldCom is unclear as to why Verizon would refuse to provide WorldCom with such information. WorldCom believes this to be an important safety issue impacting not only the health, safety and welfare of its own employees, but Verizon's employees and the general public as well. WorldCom's proposed contract terms would require Verizon to provide any information available to it regarding adverse environmental or other conditions at a point of interconnection or along an interconnection route, and would authorize WorldCom to perform any site surveys necessary to confirm the suitability of a particular site for interconnection. They also provide that if environmental contamination or other conditions complicate interconnection, Verizon shall notify WorldCom of any available alternative routes.

These provisions will facilitate interconnection of the WorldCom and Verizon networks. They are fully consistent with Verizon's obligation under § 47 USC 251(c)(2) to provide, for the facilities of any requesting carrier, interconnection with Verizon's network at any technically feasible point, at least equal in quality to that Verizon provides itself. It is also consistent with Verizon's obligation under 47 CFR § 51.305(f) to provide information about Verizon's facilities sufficient to allow WorldCom to achieve interconnection. These terms insure that WorldCom will have available to it the same

environmental information, and the same ability to survey a site or use alternative routes, that Verizon has available to it.

Notwithstanding the reasonableness of WorldCom's request and its legal obligations to provide WorldCom with such information, Verizon has indicated that it does not want to provide such information to WorldCom, and has indicated that it will not in any case provide such information to WorldCom concerning facilities outside of collocations. This is discriminatory, unreasonable, unlawful and potentially dangerous.

Verizon's position with regard to this matter is a departure from its previous practice of providing such information to WorldCom. The terms proposed by WorldCom were included in the 1997 Interconnection Agreement between MCI and Bell Atlantic. There is no rational basis for Verizon to now refuse to provide information it has previously agreed to provide to WorldCom. These previously agreed-to terms remain reasonable today and should be included in the new Interconnection Agreement.

Issue IV-5

Should the Interconnection Agreement include a provision specifying that there will be no compensation between the Parties for use of the interconnection facilities except in those cases where a Party may lease interconnection facilities from the other? (Attachment IV, Sections 1.1.6.6, 1.25)

Q. Why should there be no compensation between the parties for the use of joint interconnection facilities?

A. WorldCom has proposed a contract term clarifying that there will be no charges, such as installation charges or monthly recurring charges, between the parties for use of

interconnection facilities, except in those instances where a party leases interconnection facilities from the other. It is important to note that this language deals with charges for the use of the interconnection facilities between the parties, not for the origination or termination of traffic between the parties. Compensation for the exchange of traffic between the parties is a separate issue and is dealt with elsewhere (e.g., reciprocal compensation, meet-point billing).

As discussed above with respect to interconnection generally, WorldCom proposes interconnection via a Fiber Meet Point arrangement. (See Issue III-3 for a complete description of this interconnection method.) In the Fiber Meet Point arrangement proposed by WorldCom each party would provide its own Fiber Optic Terminal and each party would pay 50% of the cost of the interconnection facility. Charges from one party to the other for use of the interconnection facility are not appropriate where each party has paid for 50% of the interconnection facility. Of course, where one party leases the interconnection facility from the other, charges are appropriate.

Q. What is Verizon's objection to WorldCom's language?

A. WorldCom's proposed language should not be controversial. It reflects industry practice and is consistent with the cost allocation principles set forth in the Local Competition Order (see, e.g., 47 CFR § 51.507). Indeed, WorldCom does not exchange compensation for the use of interconnection facilities with any of the other ILECs with which WorldCom interconnects via Fiber Meet Points. The Fiber Meet Point arrangement described above is a joint facility for which no additional charges should

apply. Compensation for leased facilities is provided for elsewhere. It is inappropriate for Verizon to charge WorldCom for the use of jointly constructed interconnection facilities. Therefore, the Commission should adopt the language proposed by WorldCom which reflects this principle.

Issue IV-6

Should the Interconnection Agreement contain detailed terms addressing Meet Point Trunking arrangements for the joint provisioning of switched access services, including terms specifying the location and capacity of the trunks; the use of Common Channel Signaling, or in exceptional circumstances MF signaling; the routing and handling of Toll Free Service over Meet Point Trunk Groups; and the use of GR-317 or GR-394 for FGB calls? (Attachment IV, Sections 1.4 - 1.4.7)

Q. What are Meet Point Trunk Groups?

A. Meet Point Trunk Groups are two-way trunk groups established between the parties for the exchange of Feature Group B and Feature Group D Switched Access Traffic. WorldCom has proposed contract terms which will facilitate passing of Meet Point traffic between the parties by establishing separate Meet Point Trunk Groups between WorldCom's switch and Verizon's access tandem. The terms also specify the signaling to be used on such trunk groups and describe, for certain types of traffic, what sorts of information should be passed along with the call to facilitate routing and billing for such traffic.

WorldCom has also proposed the development of combination trunk groups to handle local and meet point traffic at the same time. This point is addressed further in

testimony related to Issue IV-34. I note, however that other ILECs have agreed to implement such combination trunk groups (see, e.g., BellSouth diagram, GC-1 (Att. 3 at 6), and Verizon presently uses such combination trunk groups with CMRS providers and ITCs. Nevertheless, Verizon has refused to develop such combination trunk groups with WorldCom because of alleged problems with its legacy billing systems.

Q. What are the disputes between the parties with regard to Meet Point Trunk Groups?

A. Although the parties do not dispute the establishment of Meet Point Trunk Groups between their networks, WorldCom believes that it is important to specify with particularity how Meet Point Trunk Groups should be provisioned and how traffic should be exchanged over such trunk groups. WorldCom's proposed language addresses this concern. Verizon's language is problematic for several reasons. First, it does not address the provisioning of Meet Point Trunk Groups in sufficient detail, instead leaving many important details unresolved. For example, Verizon's proposal does not address the MECAB and MECOD guidelines. Nor does it address signaling (SS7), formatting (GR-394 and GR-317) or the handling of toll-free calls. WorldCom believes that it is important to resolve such issues now in order to avoid any future disputes that would invariably arise.

Second, notwithstanding the fact that Meet Point Trunk Groups are jointly provisioned two-way trunks, Verizon demands that WorldCom pay for the use of their trunks to deliver traffic originating on WorldCom's network, and further asserts that the proper rate for this is that found in Verizon's access tariffs. This is utterly perplexing.

Each party must pay reciprocal compensation for such traffic in accordance with the Commission's rules, of course, but a separate facilities charge is wholly unwarranted. Apparently, this proposal is tied into their VGRIPs proposal.. Their assertion seems to be that because a meet point is not the Verizon designated IP, WorldCom must pay some additional charge. Unsurprisingly, the parties currently do not provision Meet Point Trunk Groups in this manner and there is no basis for Verizon's assertion that this should change.

Relatedly, Verizon asserts that if WorldCom chooses to lease facilities from Verizon to get from WorldCom's own network to the meet point, such facilities would have to be purchased off the access tariff. This, too, is perplexing. These are dedicated facilities which should be purchased from the Interconnection Agreement at TELRIC rates.

Third, notwithstanding the fact that it is technically feasible and industry standard to exchange toll free traffic over Meet Point Trunk Groups, Verizon refuses to do so because of purported problems with its legacy billing systems, preferring instead to break out their traffic from all other parties' traffic. This is extremely inefficient. WorldCom has the ability to take all traffic over a common trunk group and determine the jurisdiction based on the called and calling party numbers and prefers to do so in order to maximize use of existing trunks. Although Verizon asserts that it is not technically feasible to do so, Verizon provides this to both independents and to CMRS providers.

Issue IV-12

Should the Interconnection Agreement include detailed provisions addressing the responsibilities of the parties for complying with requests for audits of usage reports; the

responsibilities of the parties for control office functions, coordination, installation, testing, and maintenance, of trunk groups; responsibility to notify one another of service affecting changes; responsibility to coordinate testing activity with one another; perform sectionalization to identify the location of troubles; advise one another of equipment failures; provide trouble reporting contact numbers, test-line numbers, and implement coordinated repair procedures?(Attachment IV, Section 8 - 8.5.8)

Q. Is it necessary to provide for auditing usage and network coordination in the Interconnection Agreement?

A. Yes. Auditing and network coordination are required to insure that the parties are billing each other correctly for the exchange of traffic and that the interconnection trunks are maintained in good working order. I believe both WorldCom and Verizon desire to include such provisions in their Interconnection Agreement.

Q. Have the parties agreed on contract language for audits?

A. I believe that the parties have agreed to use contract language negotiated between the parties in Section 4 of General Terms and Conditions in lieu of WorldCom's proposed language in Section 8.2 – 8.4 to address their concerns regarding audits.

Q. What about language for network coordination?

A. I believe that the parties have agreed to WorldCom's proposed language in Sections 8.1 and 8.5 to address their concerns regarding network coordination. These provisions require the parties to 1) notify each other when a service-affecting change

occurs, such as a change in due dates; 2) coordinate testing activities to insure that interconnection trunks are properly installed, as ordered, and by the due date; 3) perform sectionalization to identify where trunk troubles are located; 4) advise each other of equipment failures which may affect interconnection trunks; 5) make available a trouble reporting contact that is available 24 hours per day seven days per week; 6)provide test line numbers to enable testing of interconnection trunks; and 7)cooperatively plan and implement repair procedures to insure that trouble reports are resolved in a timely manner.

Most of these provisions were negotiated and agreed to by Verizon and WorldCom for inclusion in the current contract and are included in the current contract which was approved by the Virginia State Corporation Commission. They are still valid terms and should be reflected in the new Interconnection Agreement.

Issue VI-1(A): Trunk Types

Q. Should the Interconnection Agreement describe the various types of trunks the parties will provision between their networks for the exchange of traffic?

A. Yes; both Verizon and WorldCom have proposed language describing trunk types.

Q. Why isn't Verizon's proposed language suitable for inclusion in the Interconnection Agreement?

A. Verizon has proposed that Section 2.2 of its Interconnection Attachment, addressing the matter of trunk types, be included in the Agreement between WorldCom and Verizon. Verizon's language is objectionable for several reasons. First, it defers to future negotiations and separate agreements the establishment of directory assistance and operator service trunks. It also makes the choice of one-way or two-way trunks a matter requiring mutual consent despite FCC regulations that require ILECs to provide two-way trunking upon request. Further, this section refers to multiple other sections of Verizon's proposed interconnection architecture, including Verizon's "geographically relevant interconnection points" ("GRIPs") proposal. As discussed in other WorldCom testimony, the GRIPs proposal is flatly unreasonable for a number of reasons, the most notable of which are it denies CLECs the right to a single point of interconnection per LATA and shifts to CLECs the cost of transporting Verizon originating traffic. This matter is discussed in greater detail with respect to Issue I-1.

Q. Why is it unacceptable to defer discussion of Directory Assistance and Operator Service Trunks to future negotiations and separate agreements.

A. Verizon's trunking section does not include DA/OS trunks. Rather, as discussed under Issue IV-8 by Mr. Caputo, Verizon suggests that the parties negotiate this matter later, and outside the context of this Interconnection Agreement.[1] Shuffling OS/DA trunks to a separate agreement is not appropriate because Verizon is obligated to provide OS/DA service by Sections 251(b) and (c) of the Act in at least three respects: as a UNE, via resale, or as a dialing parity matter under Section 251(b)(3). Deferring this issue to a later time, and placing the trunking terms in an agreement other than the Interconnection

Agreement, will only result in further delay and is not appropriate. Moreover, as WorldCom has discussed elsewhere, Verizon seeks to defer not only this issue but a number of issues to later discussions and separate agreements. This is utterly unworkable.

Q. What is the dispute with respect to one-way vs. two-way trunks?

A. WorldCom has deployed both one-way and two-way trunks with Verizon. Although, generally speaking, WorldCom prefers to use two-way trunks traversing a mid-span fiber meet, it may also decide to deploy one-way trunks in certain circumstances, or to augment existing one-way trunk groups. Although the parties have agreed on this issue generally, Verizon's proposed language continues to insist on mutual agreement on the type of trunk to be deployed. WorldCom must be allowed to decide how best to manage its network as required by applicable law.

47 CFR § 51.305(a)(2) requires Verizon to provide for interconnection at any technically feasible point in the network. Thus WorldCom, as the new entrant, is permitted to select the point of interconnection at any location in Verizon's network where it is technically feasible to interconnect networks and exchange traffic. See, e.g., Local Competition Order ¶ 220 n. 464. Moreover, "technically feasible" refers solely to technical or operational concerns, rather than economic, space or site considerations. See id. ¶ 198. Therefore, given that both one-way or two-way trunks are technically feasible, WorldCom is entitled to determine the functionality of the trunks. See id. ¶ 219; 47 CFR § 51.307(f).

[1] Exhibit A to Verizon's Answer, page 45.

Q. Are there any other problems with Verizon's proposed language?

A. There are other difficulties associated with Verizon's proposed Section 2.2. The proposal indicates that intraLATA toll traffic will be sent over Local Interconnection Trunks (which is not itself a problem), but it fails to indicate that such calls should provide a GR-394 message. This message will identify the call as a toll call and will identify the carrier, via a Carrier Identification Code ("CIC"), on whose network the call originated. This information is necessary so that access charges can be assessed to the appropriate carrier. Further, Verizon's proposal to establish separate access toll connecting trunks imposes unnecessary traffic fragmentation. The exchange of appropriate billing records will permit billing of these calls correctly without the need for separate trunking. Also, the reference in Section 2.2 to separate trunks for Busy Line Verification ("BLV") is inappropriate because operators can call one another via specific codes set forth in the LERG without the establishment of specific BLV trunks.

Q. How do you propose to address the dispute between the parties with regard to this issue?

A. WorldCom has proposed detailed contract terms concerning trunk types. See, e.g., WorldCom Proposed Interconnection Agreement ("WorldCom Proposed ICA") Attachment IV, §§1.2-1.7. These sections propose various trunk groups including 911, OS/DA, Local Interconnection trunks and other trunk groups. Given that WorldCom has proposed trunk types and that Verizon has identified no aspects of WorldCom's trunking proposal with which it disagrees, the Commission should order the inclusion in the contract of these terms proposed by WorldCom.

Issue VI-1(B)

(Transmission and Routine of Telephone Exchange Access Services Traffic)

Q. What are WorldCom's objections to Verizon's proposed language from Section 5 of its Interconnection Attachment in the new Interconnection Agreement?

A. Verizon's proposed language is objectionable for a number of reasons. Among them include Verizon's limitation of local interconnection trunk interfaces to DS-1 and DS-3 even though other interfaces are technically feasible; it limits DS-3 interfaces to locations designated in the NECA 4 tariff as Intermediate Hub Locations in violation of its obligation to interconnect at any technically feasible point; and it inappropriately allocates two-way trunking costs.

Q. What is the issue with limiting local interconnection trunk interfaces?

A. Verizon proposes to include in the Interconnection Agreement the following provision (Section 5.2.1):

> Both Parties shall use either a DS-1 or DS-3 interface at the POI. Upon mutual agreement, the Parties may use other types of interfaces, such as STS-1, at the POI, when and where available. When Local Interconnection Trunks are provisioned using a DS-3 interface facility, **CLEC shall order the multiplexed DS-3 facilities to the Verizon Central Office that is designated in the NECA 4 Tariff as an Intermediate Hub location, unless otherwise agreed to in writing by Verizon. The specific NECA 4 Intermediate Hub location to be used for Two-Way Local Interconnection Trunks shall be in the appropriate Tandem subtending area based on the LERG. In the event the appropriate DS-3 Intermediate Hub is

not used, then **CLEC shall pay 100% of the facility charges for the Two-Way Local Interconnection Trunks.

WorldCom cannot accept this provision for a number of reasons. It limits both the points of interconnection and the methods of interconnection available to WorldCom in violation of WorldCom's right to designate a point of interconnection and any technically feasible method of interconnection.

First, there is no technical reason to limit the approved interconnection interfaces to DS-1 and DS-3 levels only. Fiber, and other higher capacity interfaces are certainly technically feasible (see, e.g., 47 CFR 51.319(d)(1)(A) requiring dedicated transport at any technically feasible capacity-related service including, but not limited to, DS1, DS3 and OCn levels) and WorldCom is entitled to any technically feasible interconnection. See, 47 CFR 51.321(a). Verizon's proposal would prohibit interconnection via a fiber medium without its consent. Verizon cannot prohibit WorldCom from using other, technically feasible, types of interconnection interfaces at its sole discretion.

Second, the proposal to limit local interconnection trunks using a DS-3 interface to Verizon central offices designated in the NECA 4 Tariff as Intermediate Hub locations deprives WorldCom of its right to designate any technically feasible point of interconnection. The universe of technically feasible points of interconnection for a DS-3 interface is not limited to NECA 4 Tariff Intermediate Hub locations.[2] Verizon's proposal incorrectly implies that routing and interconnection for local traffic exchange can be dictated by the NECA tariff. CLECs have the right to designate any technically

[2] A determination of technical feasibility does not include a consideration of economic concerns, and the fact that an ILEC may have to modify its facilities or equipment does not change the technical feasibility of an interconnection method. 47 CFR 51.5 (definition of technically feasible).

feasible point of interconnection; points of interconnection for local traffic exchange are not determined by ILEC access tariffs.

Third, the provision requiring the CLEC to pay 100% of the cost for two-way local interconnection trunks if the CLEC interconnects at a central office other than that specified by Verizon is unreasonable. The cost of two-way local interconnection trunks should be shared by the carriers who use those trunks. Forcing WorldCom to pay for facilities that carry Verizon's traffic without compensation is not justified by the FCC rules, and provides Verizon with an unfair and anti-competitive advantage by giving Verizon a "free ride" on WorldCom's network. WorldCom believes that each company should bear their costs associated with the interconnection facilities. This apportionment of costs, including applicable non-recurring charges, should be based on the percent of originating traffic for each company.

I need to clarify that the issue of cost allocation is of course moot when deploying the mid-span fiber meet architecture. As I testified in more detail with regard to Issue IV-5 above, the parties, when using mid-span fiber meets, have a shared investment in the costs of interconnection, and there should be no compensation for the use of such facilities.

In its orders implementing the Act, the FCC has found that the cost of facilities which are dedicated to the transmission of traffic between the two parties' networks is intended to be shared by the parties based on the total amount of traffic each party sends over those facilities. In paragraph 1062 of the Local Competition First Report & Order, when speaking to the issue of interconnection trunking, the FCC notes "[t]he amount an

interconnecting carrier pays for dedicated transport is to be proportional to its relative use of the dedicated facility." The FCC goes on to say:

> if the providing carrier provides two-way trunks between its network and the interconnecting carrier's network, then the interconnecting carrier should not have to pay the providing carrier a rate that recovers the full cost of those trunks. These two-way trunks are used by the providing carrier to send terminating traffic to the interconnecting carrier, as well as by the interconnecting carrier to send terminating traffic to the providing carrier. Rather, the interconnecting carrier shall pay the providing carrier a rate that reflects only the proportion of the trunk capacity that the interconnecting carrier uses to send terminating traffic to the providing carrier. This proportion may be measured either based on the total flow of traffic over the trunks, or based on the flow of traffic during peak periods.

Local Competition Order ¶ 1062 (footnote omitted.)

This accurately reflects WorldCom's position with regard to this matter.

Q. Are there other aspects of Verizon's proposed language that are objectionable?

A. Yes. The requirement in Section 5.2.2 that a Carrier Identification Code be used when ordering a trunk group is inappropriate. WorldCom's CLECs do not provide interexchange service; they are separate from its long distance companies. CICs are associated primarily with Interexchange Carriers and it is not necessary to have a CIC to order trunks. Verizon uses CICs for its own billing purposes. CICs are a limited

resource, and it is inappropriate for Verizon to demand that WorldCom obtain a CIC for a purpose unrelated to interexchange service.

Although WorldCom does not dispute Verizon's proposed language in Section 5.2.4, the parties have, I believe, agreed to add it to the language proposed by WorldCom for Issue IV-3.

It is my understanding that the parties have agreed to amend Verizon's proposed language in Section 5.2.5 to read: "Each Party shall route traffic in accordance with the LERG."

It is also my understanding that the parties have agreed to amend Verizon's proposed language in Section 5.2.6 to read: "Each Party shall provide the other Party with signaling necessary for the routing and completion of the other Party's traffic in accordance with this Agreement."

Finally, it is also my understanding that the parties have agreed to delete Verizon's proposed language in Section 5.2.7.

ISSUE VI-1(C)

(Toll Free Service Access Code Traffic)

Q. What is your understanding of the parties' position on this issue?

A. My understanding is that the parties have resolved this issue through inclusion of the language set out below. Because this has not been confirmed, however, WorldCom is including this in is direct testimony. WorldCom notes that it has largely accepted Verizon's proposed language, with the modifications indicated below.

Toll Free Service Access Code (e.g., 800/888/877) Traffic

The following terms shall apply when either Party delivers toll free service access code (e.g., 800/888/877) ("800") calls to the other Party.

1.1. When MCIm delivers toll free service access code calls that have been queried to an "800" database to Verizon for delivery

1.1.1 to an IXC:

MCIm shall provide an appropriate EMI record to Verizon for processing and Meet Point Billing in accordance with ~~Section 9 above~~this Agreement; and MCIm shall bill the IXC the MCIm query charge associated with the call.

1.1.2. to Verizon or another LEC that is a toll free service access code service provider in the LATA:

R. MCIm shall provide an appropriate EMI record to the toll free service access code service provider; and

1.2. MCIm's Tariffed Feature Group D ("FGD") Switched Exchange Access ~~or Reciprocal Compensation charges, as applicable,~~ and the MCIm query charge, shall be assessed to the toll free service access code service provider; and ~~11.1.2.3 ———~~Verizon shall assess applicable Tandem Transit Service charges and associated pass through charges to toll free service access code service provider ~~W~~when Verizon delivers toll free service access code calls that have been queried to an "800" database, originated by Verizon's or another LEC's Customers, to MCIm:

1.2.1. where the queried call is an intraLATA call that is handed off to MCIm in MCIm's capacity as a toll free service access code service provider:

1.2.2. Verizon shall bill MCIm the Verizon query charge associated with the call as specified in the Pricing Attachment; and

S. Verizon shall provide an appropriate EMI record to MCIm; and

T. Verizon's Tariffed FGD Switched Exchange Access ~~or Reciprocal Compensation~~ charges shall be billed to MCIm ~~as applicable~~.

1.3. Unqueried Toll Free Service Access Code (e.g., 800/88/8/877) Traffic.
If MCIm chooses Verizon to handle toll free service access code (e.g.,800/888/877) ("800") database queries from MCIm's central office switches, all originating Toll Free Service calls for which MCIm requests that Verizon perform the Service Switching Point ("SSP") function (e.g., perform the database query) must be delivered using GR-394 format over the Interconnection trunk group. ~~all **CLEC originating 800 traffic will be routed over a separate 800 trunk group. The 800 trunk group will be one-way from **CLEC to Verizon. Verizon~~

~~will perform the query and route the call appropriately.~~

1.3.1. When the 800 call is routed to an IXC:

U. Verizon will query the call and route the call to the appropriate IXC.
V. Verizon shall provide an appropriate EMI record to MCIm to facilitate billing to the IXC.

1.3.2. Verizon shall bill the IXC the Verizon query charge associated with the call and any other applicable Verizon charges.

1.3.3. When the 800 call is an IntraLATA call routed to Verizon or another LEC that is a toll free service access code service provider in the LATA:

W. Verizon will query the call and route the call to the appropriate LEC toll free service access code service provider.
X. Verizon shall provide an appropriate EMI record to MCIm to facilitate billing to the LEC toll free service access code service provider
Y. Verizon shall bill the LEC toll free service access code service provider the query charge associated with the call and any other applicable Verizon charges.

1.4. Verizon will not direct unqueried toll free service access code call to MCIm.

Q. Does this conclude your testimony?

A. Yes it does.

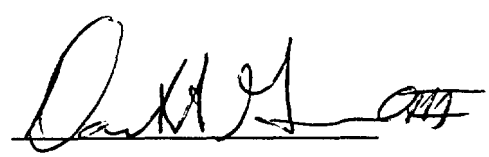
BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION

In the Matter of	)	
Petition of WorldCom, Inc. Pursuant	)	
to Section 252(e)(5) of the	)	
Communications Act for Expedited	)	
Preemption of the Jurisdiction of the	)	CC Docket No. 00-218
Virginia State Corporation Commission	)	
Regarding Interconnection Disputes	)	
with Verizon-Virginia, Inc., and for	)	
Expedited Arbitration	)	

Declaration of DonatoGrieco

I, Donato Grieco, declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief.

Executed this 8th day of August, 2001.



Donato Grieco